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C O N F I D E N T I A L SECTION 01 OF 03 ISLAMABAD 000917

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SUBJECT: KERRY AND QURESHI PLAN STRATEGY FOR SECURING AID
TO PAKISTAN

Classified By: CDA Gerald Feierstein for reasons 1.4 (b), (d).

¶1. (C) Summary: Codel Kerry met April 13 with Foreign Minister Shah Mehmood Qureshi. Senator Kerry and Qureshi focused on the importance of articulating a clear GOP strategy for security and economic growth to both U.S. legislators and other donor countries. Foreign Minister Qureshi planned to go to Tokyo for the Friends of Democratic Pakistan ministerial on April 17 and then to Washington on May 5-7. The meeting was followed by a joint press conference, where Senator Kerry announced \$10 billion of USG assistance as proposed in the Kerry-Lugar legislation. End Summary.

¶2. (SBU) U.S. participants included Ambassador, Senator John Kerry (D-MA) Chairman, Senate Foreign Relations Committee (SFRC), Frank Lowenstein, Chief Counsel (SFRC), Fatema Sumar (SFRC Staff Member), Deputy Pol Counselor, and Poloff (Notetaker). Qureshi was joined by Pakistan's Foreign Secretary Salman Bashir, Additional Secretary for Americas Attiyah Mahmood, Director General Sohail Mahmood, Ambassador at Large Nasir Ali Khan, Director General for North America Sohail Khan, U.S. Director Ali Khan, and MFA spokesman Abdul Basit.

PAKISTANI PARLIAMENT RECOMMENDS A COUNTERTERRORISM STRATEGY

¶3. (C) Foreign Minister Qureshi welcomed Senator Kerry and thanked him for understanding the grave challenges facing Pakistan. Qureshi acknowledged the Senator's leadership in championing the Kerry-Lugar bill and was grateful for the recognition of the dire economic situation in Pakistan. The Foreign Minister explained the Pakistan Peoples Party (PPP) government was accountable to parliament and therefore the most pressing matters of the day, extremism and terrorism, were put forward in the National Assembly for debate. The debate in October had led to a unanimous resolution condemning terrorism and seeking to reverse extremism. As a result of the debate, the government called an All Parties Parliamentary Committee to devise a new strategy to counter terrorism and extremism.

¶4. (C) In Tokyo, Pakistan will be able to articulate a clear plan on security and the economic situation to friends and donors. Qureshi said that the GOP has done its homework and developed a thorough plan, but now the challenge is successful implementation. Qureshi welcomed the new regional and holistic approach that was presented by Special

Representative to Afghanistan and Pakistan Holbrooke and Chairman of the Joint Chiefs Admiral Mullen. Qureshi added that after the Tokyo conference, he will be traveling to Washington on May 5-7 to discuss the modalities of implementing the new strategy.

GOP CONCERNS

¶ 15. (C) Qureshi acknowledged that the GOP and the USG both realize the importance of increasing Pakistani capacity to fight terror and also to fix the economic situation. However, Pakistan has some reservations about the new USG approach, which Qureshi hoped could be overcome. Qureshi expressed that the "Af-Pak" terminology was not good for optics. Even though there was a common strategy, Afghanistan and Pakistan were still two different countries with two different histories and lumping them together would upset people. Additionally Qureshi cited other red-line issues for Pakistan, such as the extension of the NATO/ISAF mandate beyond Afghanistan, the contact group idea, concerns voiced in the media about Pakistani security and intelligence institutions, reopening the border issue, and reported conditionality of military and economic assistance. Qureshi understood that there were differences between the House and Senate versions of the bill and that it was too early to know the final conditions, but he wanted to help address Pakistani issues early. To properly address these concerns, Qureshi planned to get appointments on the Hill to articulate the GOP point of view. He said that if there were concerns about money that were not accounted for, the GOP would be committed

ISLAMABAD 00000917 002 OF 003

to a more transparent process. Qureshi reiterated that his strength was connecting and communicating with legislators, and he genuinely wanted to allay their concerns.

¶ 16. (C) Qureshi appreciated the USG support in putting together the Friends' and Donors' Conference in Tokyo. The GOP understood the importance of quiet U.S. diplomacy. Qureshi hoped that in Tokyo in addition to economic help, the other nations would enunciate a clear message of solidarity and unqualified support for Pakistan. The Foreign Minister cited the importance of positive messaging in such critical times.

SAME POT: ECONOMIC CRISIS AND GLOBAL SOLUTIONS

¶ 17. (C) Senator Kerry reiterated the importance of a strong U.S.-Pakistan relationship. Kerry applauded Qureshi's articulate and persuasive skills for successfully representing Pakistan on the international stage. The Senator acknowledged that nobody agrees on everything but that the two nations could find ways to make the new strategy work. Though the security and economic challenges were complicated and delicate, both nations were in the "same pot."

¶ 18. (C) Senator Kerry was confident that the U.S. House and Senate would work things out in order to provide crucial aid to Pakistan. He stressed that as GOP officials travel to Tokyo and Washington in the next few weeks, they must be aware of practicalities faced by American legislators. USG legislators are being called upon to spend billions of dollars and they have already spent billions on an economic stimulus package. The U.S. legislators want to get the economy moving, but they understand that in the long term this can be guaranteed through a stronger global system of financial checks and balances. U.S. legislators are looking to stimulate growth in the energy, life science, and technology sectors. Senator Kerry stressed that as a developing economy, Pakistan can reap benefits from new economic sectors.

¶ 19. (C) Kerry asked Qureshi to "help us help you" by sharing

concrete plans on both the security and economic fronts. Kerry observed that Pakistan had strong institutions that were "light years" ahead of Afghanistan, making the challenge of extremism that much more important in Pakistan. Not only must the GOP share a clear strategy with U.S. legislators, but do it using language and concepts that Americans will understand. U.S. legislators are looking for clarity on how their money will be spent. Kerry urged Qureshi to lay out clear and articulate plans in terms of security and economic assistance strategies. Senator Kerry advised that with help from US counterparts the GOP should be able to present a clear plan of action. Transparency and accountability in the plan will not only reassure legislators but also future investors in Pakistan.

INVEST IN PAKISTAN: PUBLIC-PRIVATE PARTNERSHIPS

¶10. (C) Foreign Secretary Salman Bashir suggested that the development aid must engage more than the two governments. Using the corporate sector will be crucial. Bashir proposed the idea of "project-based" cooperation between the GOP and corporations in which the risk to the companies would be minimized and the profits guaranteed by Pakistan. This could be done by implementing a risk insurance facility and giving partnering corporations sole-bid access to Pakistani sectors.

This plan would encourage the corporate sector to seek partnerships that are mutually beneficial. Senator Kerry appreciated the idea and suggested that such plans also be used in the energy sector. Pakistan could skip over the mistakes of other developed nations, and become a showcase for energy independence using no/low carbon and clean technologies likely to be promulgated in Copenhagen negotiations.

¶11. (SBU) The meeting was followed by a joint press conference. Foreign Minister Qureshi thanked Senator Kerry

ISLAMABAD 00000917 003 OF 003

for his dedication to Pakistan. Senator Kerry announced the pending Kerry-Lugar legislation that would deliver \$1.5 billion in non-military aid to Pakistan every year for the next ten years. Kerry stressed that the U.S.-Pakistan relationship was not with one single government but with the people, and this aid would go towards schools, clinics, jobs, and other projects to help the lives of Pakistanis.

¶12. (U) CODEL Kerry did not clear this cable.
FEIERSTEIN